

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input checked="" type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name HOME TOWNSHIP	County NEWAYGO
Fiscal Year End 03/31/06	Opinion Date 10/25/06	Date Audit Report Submitted to State 10/27/06	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

YES


☒

Check each applicable box below. (See instructions for further detail.)

1. ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☐ ☒ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☒ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☒ ☐ The local unit has adopted a budget for all required funds.
5. ☒ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☒ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☒ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☒ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☒ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☒ ☐ The local unit is free of repeated comments from previous years.
12. ☒ ☐ The audit opinion is UNQUALIFIED.
13. ☒ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☒ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☒ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

We have enclosed the following:	Enclosed	Not Required (enter a brief justification)	
Financial Statements	<input checked="" type="checkbox"/>		
The letter of Comments and Recommendations	<input checked="" type="checkbox"/>		
Other (Describe)	<input type="checkbox"/>		
Certified Public Accountant (Firm Name) HENDON & SLATE, P.C.		Telephone Number 231-924-6890	
Street Address 711 WEST MAIN STREET, PO BOX 9		City FREMONT	State MI
Zip 49412			
Authorizing CPA Signature 	Printed Name JODI DEKUIPER	License Number 1101021108	

HOME TOWNSHIP
FINANCIAL STATEMENTS

March 31, 2006

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HOME TOWNSHIP

Newaygo County, Michigan
List of Principal Individuals

	<u>Position</u>
Earl Spalo	Supervisor
Laurie Jackson	Clerk
Helen Cousineau	Deputy Clerk
Deborah Wilkinson	Treasurer
Leroy Jackson	Trustee
Dennis Anderson	Trustee



Hendon & Slate, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
BUSINESS CONSULTANTS



Independent Auditor's Report

Home Township Board
Bitely, Michigan 49309

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of Home Township as of and for the year ended March 31, 2006, which collectively comprise a portion of the Township's basic financial statements required by accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Townships' management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

Management has not presented government-wide financial statements to display the financial position and changes in financial position of its governmental activities. Accounting principles generally accepted in the United States of America require the presentation of government-wide financial statements. The amounts that would be reported in the government-wide financial statements for the Township's governmental activities are not reasonably determinable.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Home Township as of March 31, 2006 or the changes in its financial position or its cash flows, where applicable, for the year then ended.

Hendon & Slate

Hendon & Slate, P.C.
Certified Public Accountants
October 25, 2006

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HOME TOWNSHIP

Governmental Funds Balance Sheet

March 31,2006

	<u>General Fund</u>	<u>Fire Fund</u>	<u>Brine Fund</u>	<u>Bridge Fund</u>	<u>Total Governmental Funds</u>
Assets					
Cash and Investments	\$ 42,147	\$ -	\$ -	\$ 20,227	\$ 62,374
Due from Fiduciary Funds	1,035	-	-	-	1,035
Due from Other Governments	<u>1,273</u>	<u>1,607</u>	<u>2,143</u>	<u>-</u>	<u>5,023</u>
Total Assets	<u>\$ 44,455</u>	<u>\$ 1,607</u>	<u>\$ 2,143</u>	<u>\$ 20,227</u>	<u>\$ 68,432</u>
Liabilities and Fund Equity					
Liabilities					
Due to Other Funds	\$ -	\$ -	\$ -	\$ -	\$ -
Due to Other Governments	<u>-</u>	<u>1,607</u>	<u>-</u>	<u>-</u>	<u>1,607</u>
Total Liabilities	-	1,607	-	-	1,607
Fund Equity					
Unreserved	<u>44,455</u>	<u>-</u>	<u>2,143</u>	<u>20,227</u>	<u>66,825</u>
Total Liabilities and Fund Equity	<u>\$ 44,455</u>	<u>\$ 1,607</u>	<u>\$ 2,143</u>	<u>\$ 20,227</u>	<u>\$ 68,432</u>

Notes to the financial statement are an integral part of this statement

HOME TOWNSHIP

Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance

For the Year Ended March 31, 2006

	General <u>Fund</u>	Fire <u>Fund</u>	Brine <u>Fund</u>	Bridge <u>Fund</u>	Total Governmental <u>Funds</u>
Revenues					
Taxes	\$ 8,390	\$ 14,308	\$ 19,079	\$ -	\$ 41,777
Property Tax Collection Fees	3,211	-	-	-	3,211
State Grants - Shared Revenue	17,791	-	-	-	17,791
Grants	1,943	-	-	-	1,943
Reimbursement - Road Brining	-	-	12,205	-	12,205
Interest on Deposits	1,022	-	-	-	1,022
Miscellaneous	3,263	-	-	-	3,263
Total Revenue	<u>\$ 35,620</u>	<u>\$ 14,308</u>	<u>\$ 31,284</u>	<u>\$ -</u>	<u>\$ 81,212</u>
Expenditures					
General Government	26,759	-	-	-	26,759
Public Safety	2,330	14,308	-	-	16,638
Public Works	-	-	19,200	-	19,200
Other Functions	4,743	-	-	-	4,743
Total Expenditures	<u>33,832</u>	<u>14,308</u>	<u>19,200</u>	<u>-</u>	<u>67,340</u>
Excess Revenues Over (Under) Expenditures	1,788	-	12,084	-	13,872
Other Financing Sources (Uses)					
Transfer In	11,161	-	-	-	11,161
Transfer Out	-	-	(11,161)	-	(11,161)
Total Other Financing Sources (Uses)	<u>11,161</u>	<u>-</u>	<u>(11,161)</u>	<u>-</u>	<u>-</u>
Excess Revenues and Other Sources Over (Under) Expenditures and Other Uses	12,949	-	923	-	13,872
Fund Balance - April 1	<u>31,506</u>	<u>-</u>	<u>1,220</u>	<u>20,227</u>	<u>52,953</u>
Fund Balance - March 31	<u>\$ 44,455</u>	<u>\$ -</u>	<u>\$ 2,143</u>	<u>\$ 20,227</u>	<u>\$ 66,825</u>

The notes to the Financial Statement are an integral part of this statement.

HOME TOWNSHIP

Fiduciary Funds - Statement of Net Assets March 31, 2006

	<u>Trust and Agency Funds</u>
Assets	
Cash and Investments	<u>\$ 1,035</u>
Total Assets	<u><u>\$ 1,035</u></u>
Liabilities & Net Assets	
Liabilities	
Due to Other Funds	\$ 1,035
Net Assets	
Unreserved	<u>-</u>
Total Liabilities and Net Assets	<u><u>\$ 1,035</u></u>

The notes to the Financial Statements are an integral part of this statement.

HOME TOWNSHIP

Fiduciary Funds - Statement of Changes in Net Assets For the Year Ended March 31, 2006

	Current Tax Collection Fund			
	Balance 4/1/2005	Additions	Deductions	Balance 3/31/2006
Assets				
Cash and Investments	\$ -	\$ 290,964	\$ 289,929	\$ 1,035
Taxes Receivable	-	324,685	324,685	-
Total Assets	<u>\$ -</u>	<u>\$ 615,649</u>	<u>\$ 614,614</u>	<u>\$ 1,035</u>
Liabilities				
Due to County, NCRESA and Others	\$ -	\$ 171,428	\$ 171,428	\$ -
Due to Big Jackson School	-	79,618	79,618	-
Due to Other Funds	-	39,918	38,883	1,035
Total Liabilities	<u>\$ -</u>	<u>\$ 290,964</u>	<u>\$ 289,929</u>	<u>\$ 1,035</u>

HOME TOWNSHIP

Notes to the Financial Statements March 31, 2006

NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Home Township conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units, except for the reporting requirements under GASB #34 (due to the lack of government-wide financial statements and management's discussion and analysis). The following is a summary of the significant policies us by Home Township.

1. Reporting Entity

The reporting entity is a general law township as defined by the laws of the State of Michigan. The Township is governed by a Supervisor and Township Board.

As defined by Governmental Accounting Standards Board (GASB) No. 14, the financial reporting entity consists of (1) the primary government, (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The primary government has financial accountability if it:

- a. Appoints a voting majority of the organization's board, and, has the ability to impose its will on the organization; or
- b. There is a potential for the component unit to provide certain financial benefits to, or impose certain financial burdens on, the primary government.

Based on this criteria, there are no other entities included in this report.

2. Measurement Focus, basis of Accounting and Financial Statement Presentation

Government fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are record only when payment is due.

Revenues are recognized in the accounting period in which they become susceptible to accrual, that is when they become both measurable and available to finance expenditures of the fiscal period.

a. State Shared Revenue Receivable

State Shared Revenue is distributed in six installments per year. Often the last payment has not been received by March 31; therefore, a receivable is recorded for this amount. The final payment of \$2,928 was received in February, 2006, thus no receivable is recorded.

b. Property Taxes Receivable

The Township property tax is levied on each December 1st on the taxable valuation of the property (as defined by state statutes) located in the Township as of the preceding December 31st. The taxes are due on September 14th and February 14th, with the final collection date of February 28th before they are added to the County tax rolls.

The 2005 taxable valuation of the Township totaled \$9.7 million on which ad valorem taxes levied consisted of 1.0 mills for general operating, 1.5 mills for fire protection, and 2.0 mills for brining roads. These amounts are recognized in the respective general and special revenue fund financial statements as current tax revenue.

The government reports the following major governmental funds:

The General fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Fire fund accounts for the resources of property tax revenue and charges for services that are restricted for fire protection purposes.

The Brine fund accounts for revenues and expenditures relating to road brining.

The Bridge fund accounts for revenues and expenditures relating to construction and repairs of township bridges.

3. Assets, Liabilities, and Fund Balance

Bank Deposits and Investments - Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value. Pooled investment income is generally allocated to each fund based on the cash balance in each fund.

Receivables and Payables - In general, outstanding balances between funds are reported as "due to/from other funds". Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as "advances to/from other

Inventories and Prepaid Items - Payments for inventorable types of supplies are recorded as expenditures at the time of purchase. Normally expenditures are not divided between years by the recording of prepaid expenses. There were no material inventories at year end.

Fund Balance - In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

4. Budgets and Budgetary Accounting

P.O. 621 of 1978, Section 18(1), as amended provides that a local unit shall not incur expenditures in excess of the amount appropriated.

In the body of the financial statements, the Township's actual expenditures and budgeted expenditures for the budgetary funds have been shown on an activity basis. The approved budgets of the township for these funds were adopted on the activity level. The budgets shown in these financial statements are as last amended through March 31, 2006.

During the year ended March 31, 2006, the Township did not incur material overexpenditures.

Notes to the Financial Statement (Continued)

5. Reporting Entity

The financial statements of Home Township do not include any other governmental boards or authorities based on a determination made with the control or dependence in the areas of budget adoption, taxing authority, funding and appointment of respective boards.

6. Encumbrances

The Township does not use any form of encumbrance accounting.

7. Estimates

Management uses estimates and assumption in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities, and the reported revenues and expenditures/expense. Actual results could differ from those estimates.

NOTE B DEPOSITS AND INVESTMENTS

Legal Provisions for Deposits and Investments - The Investment of Surplus Funds of Political Subdivisions Act No. 20, Public Acts of 1943, as amended through December 31, 1997, state the Township, by resolution may authorize the Treasurer to invest surplus funds in one or more of the following:

- a. Bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.
- b. Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a financial institution, but only if the financial institution complies with subsection (2).
- c. Commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services and that matures not more than 270 days after the date of purchase.
- d. Repurchase agreements consisting of instruments listed in subdivision (a).
- e. Bankers' acceptances of the United States banks.
- f. Obligations of this state or any of its political subdivisions that at the time of purchase are rated as investment grade by not less than one standard rating service.
- g. Mutual funds registered under the investment company act of 1940, title I of chapter 686, 54 Stat. 789, 15 U.S.C. 80a-1 to 801-3 and 80a-64, with the authority to purchase only investment vehicles that are legal for direct investment by a public corporation.
However, a mutual fund is not disqualified as a permissible investment solely by reason of any of the following:
 1. The purchase of securities on a when-issued or delayed delivery basis.
 2. The ability to lend portfolio securities as long as the mutual fund receives collateral all times equal to at least 100% of the securities loaned.
 3. The limited ability to borrow and pledge a like portion of the portfolio's assets for temporary or emergency purposes.
- h. Obligations described in subdivisions (a) through (g) if purchased through an interlocal agreement under the Urban Cooperations Act of 1967, 1967 (Es Sess) PA7 MCL 124.501 to 124.512.
- i. Investment pools organized under the surplus Funds investment Pool Act, 1982 PA 367, 129.111 to 129.118.
- j. The investment pools organized under the Local government Investment Pool Act, 1985 PA 121, MCL 129.141 to 129.150.

Notes to the Financial Statements (Continued)

Investments are normally categorized to give an indication of the level of risk assumed by the Township; however, money market funds are not categorized because they are not evidenced by securities that exist in physical or book entry form. Management believes the investments in the funds comply with the investment authority noted above. Deposits are carried at cost. Cash deposits of the Township are held at Chemical Bank. These accounts are in the Township's own name. As of March 31, 2006, the entire amount is covered by FDIC insurance.

The Township's deposits are in accordance with statutory authority as follows:

	Carrying <u>Amount</u>	Market <u>Value</u>
Cash - Savings	\$ 63,408	\$ 63,408
Cash - Tax Account	1,035	1,035

NOTE C INTERFUND RECEIVABLES AND PAYABLES

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 1,035	\$ -
Trust and Agency (Tax)	-	1,035
	<u>\$ 1,035</u>	<u>\$ 1,035</u>

The entire amount is expected to be paid within one year.

NOTE D CAPITAL ASSETS

Management has not presented government-wide financial statements, and thus, neither capital assets nor the related depreciation and accumulated depreciation are reported.

NOTE E RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets and omissions; and natural disasters for which the Township carries commercial insurance. Liabilities in excess of insurance coverage, if any, are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated.

NOTE F PROPERTY TAXES RECEIVABLE

The delinquent real property taxes for Home Township are purchased by the Conty of Newaygo. The 2005 delinquent taxes were paid in June of 2006. The amount due at March 31, 2006 which has been recorded as amounts due from other governments on the financial statements is as follows:

General Fund	\$ 1,273
Fire Fund	1,607
Brine Fund	<u>2,144</u>
Total	<u>\$ 5,024</u>

HOME TOWNSHIP

Budgetary Comparison Schedule - General Fund Year Ended March 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance to Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 7,300	\$ 7,300	\$ 8,390	\$ 1,090
Property Tax Collection Fees	3,000	3,000	3,211	211
State Grants - Shared Revenue	15,000	15,000	17,791	2,791
Grants	-	-	1,943	1,943
Interest on Deposits	500	500	1,022	522
Miscellaneous	<u>15,000</u>	<u>15,000</u>	<u>3,263</u>	<u>(11,737)</u>
Total Revenues	40,800	40,800	35,620	(5,180)
Expenditures				
General Government	26,900	29,134	26,759	2,375
Public Safety	3,200	3,200	2,330	870
Other	<u>5,800</u>	<u>5,800</u>	<u>4,743</u>	<u>1,057</u>
Total Expenditures	<u>35,900</u>	<u>38,134</u>	<u>33,832</u>	<u>4,302</u>
Excess Revenue Over (Under)				
Expenditures	4,900	2,666	1,788	(878)
Other Financing Sources (Uses)				
Transfers -In	<u>-</u>	<u>-</u>	<u>11,161</u>	<u>11,161</u>
Excess Revenue and Other Sources Over (Under) Expenditures and Other Uses	4,900	2,666	12,949	10,283
Fund Balance - April 1, 2005	<u>31,506</u>	<u>31,506</u>	<u>31,506</u>	<u>-</u>
Fund Balance - March 31, 2006	<u>\$ 36,406</u>	<u>\$ 34,172</u>	<u>\$ 44,455</u>	<u>\$ 10,283</u>

HOME TOWNSHIP

Budgetary Comparison Schedule - Fire Fund For the Year Ended March 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance to Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property Tax	\$ 13,500	\$ 13,500	\$ 14,308	\$ 808
Expenditures				
Public Safety	<u>13,500</u>	<u>13,588</u>	<u>14,308</u>	<u>(720)</u>
Excess Revenue Over (Under)				
Expenditures	-	(88)	-	88
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u><u>\$ -</u></u>	<u><u>\$ (88)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 88</u></u>

HOME TOWNSHIP

Budgetary Comparison Schedule - Brine Fund For the Year Ended March 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance to Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property Tax	\$ 18,000	\$ 18,000	\$ 19,079	\$ 1,079
Reimbursement - Road Brining	<u>-</u>	<u>-</u>	<u>12,205</u>	<u>12,205</u>
Total Revenues	18,000	18,000	31,284	13,284
Expenditures				
Public Works	<u>19,200</u>	<u>19,200</u>	<u>19,200</u>	<u>-</u>
Excess Revenue Over (Under)				
Expenditures	(1,200)	(1,200)	12,084	13,284
Other Financing Sources (Uses)				
Transfers -Out	<u>-</u>	<u>-</u>	<u>(11,161)</u>	<u>(11,161)</u>
Excess Revenue and Other Sources				
Over (Under) Expenditures and				
Other Uses	(1,200)	(1,200)	923	2,123
Fund Balance - April 1, 2005	<u>1,220</u>	<u>1,220</u>	<u>1,220</u>	<u>-</u>
Fund Balance - March 31, 2006	<u>\$ 20</u>	<u>\$ 20</u>	<u>\$ 2,143</u>	<u>\$ 2,123</u>

HOME TOWNSHIP

Budgetary Comparison Schedule - Bridge Fund For the Year Ended March 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance to Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Expenditures				
Public Works	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess Revenue Over (Under)				
Expenditures	-	-	-	-
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>20,227</u>	<u>20,227</u>
Fund Balance - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 20,227</u></u>	<u><u>\$ 20,227</u></u>

HOME TOWNSHIP

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund For the Year Ended March 31, 2006

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues			
Property Taxes	\$ 7,300	\$ 8,390	\$ 1,090
Property Tax Collection Fees	3,000	3,211	211
State Grants - Shared Revenue	15,000	17,791	2,791
Grants	-	1,943	1,943
Interest on Deposits	500	1,022	522
Miscellaneous	<u>15,000</u>	<u>3,263</u>	<u>(11,737)</u>
Total Revenues	40,800	35,620	(5,180)
Expenditures			
General Government			
Township Board	1,600	1,514	86
Supervisor	3,500	3,311	189
Elections	1,000	813	187
Assessor	5,000	4,834	166
Clerk	5,800	5,180	620
Board of Review	1,000	753	247
Treasurer	6,320	6,226	94
Township Hall	2,914	2,308	606
Cemetery	<u>2,000</u>	<u>1,820</u>	<u>180</u>
Total General Government	29,134	26,759	2,375
Public Safety			
Zoning Board	2,000	1,130	870
Rescue Service	<u>1,200</u>	<u>1,200</u>	<u>-</u>
Total Public Safety	3,200	2,330	870
Other Functions			
Insurance	3,800	3,161	639
Payroll Tax Expense	1,850	1,582	268
Audit	<u>150</u>	<u>-</u>	<u>150</u>
Total Other Functions	<u>5,800</u>	<u>4,743</u>	<u>1,057</u>
Total Expenditures	<u>38,134</u>	<u>33,832</u>	<u>4,302</u>
Excess Revenues Over (Under) Expenditures	2,666	1,788	(878)
Other Financing Sources (Uses)			
Transfers In	<u>-</u>	<u>11,161</u>	<u>11,161</u>
Excess Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ 2,666</u>	12,949	<u>\$ 10,283</u>
Fund Balance - April 1		<u>31,506</u>	
Fund Balance - March 31		<u>\$ 44,455</u>	

HOME TOWNSHIP

Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual - Fire Fund
For the Year Ended March 31, 2006

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues			
Property Tax	\$ 13,500	\$ 14,308	\$ 808
Expenditures			
Public Safety			
Fire Protection - Contracted Services	<u>13,588</u>	<u>14,308</u>	<u>(720)</u>
Excess Revenues Over (Under) Expenditures	<u>\$ (88)</u>	-	<u>\$ 88</u>
Fund Balance - April 1		<u>-</u>	
Fund Balance - March 31		<u>\$ -</u>	

HOME TOWNSHIP

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Brine Fund For the Year Ended March 31, 2006

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues			
Property Tax	\$ 18,000	\$ 19,079	\$ 1,079
Reimbursement Road - Brining	<u>-</u>	<u>12,205</u>	<u>12,205</u>
	18,000	31,284	13,284
Expenditures			
Public Works	<u>19,200</u>	<u>19,200</u>	<u>-</u>
Excess Revenues Over (Under) Expenditures	(1,200)	12,084	13,284
Other Financing Sources (Uses)			
Transfers Out	<u>-</u>	<u>(11,161)</u>	<u>(11,161)</u>
Excess Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ (1,200)</u>	923	<u>\$ 2,123</u>
Fund Balance - April 1		<u>1,220</u>	
Fund Balance - March 31		<u>\$ 2,143</u>	

HOME TOWNSHIP

Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual - Bridge Fund
For the Year Ended March 31, 2006

	<u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Revenues			
Property Tax	\$ -	\$ -	\$ -
Expenditures			
Public Works	<u>-</u>	<u>-</u>	<u>-</u>
Excess Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund Balance - April 1		<u>20,227</u>	
Fund Balance - March 31		<u>\$ 20,227</u>	



Hendon & Slate, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
BUSINESS CONSULTANTS



October 27, 2006

Township Board
Township of Home
Newaygo County
Bately, Michigan

Dear Board Members:

In connection with our recent examination of the financial statements of Home Township for the year ended March 31, 2006, we offer the following comments and recommendations:

Books and Records

The Township's books and records were again maintained in excellent condition. We noted that the new computerized accounting system was implemented this year. If additional assistance is necessary with the system, please feel free to contract our office.

Budgeting and Transfers

Previously we commented that the Township was not properly budgeting for the transfers between funds. We remind the Board that the transfers should be budgeted for and approved by the Board.

We also noted that the Brine Fund transferred funds to the General Fund. This is not appropriate, as the Brine Fund revenue is to be used in accordance with the specific property tax requested on the ballot. We recommend that the General Fund transfer the funds back to the Brine Fund and use accordingly.

GASB 34 - Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments

The Township elected not to fully adopt GASB 34, however, you will note that some financial statements are slightly different than in the past. The most evident change is that the Township's major funds (based upon GASB 34 requirements) are reported in separate columns rather than grouping the Special Revenue Funds into one combined column. Also, the budgets are now immediately following the notes to the financial statements and include both the originally adopted and final amended budgets.

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Fax (616) 954-3990

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Muskegon, MI 49444
Phone (231) 798-1040
Fax (231) 798-8409

Fremont
711 West Main Street
Fremont, MI 49412
Phone (231) 924-6890
Fax (231) 924-4088
Toll Free (800) 924-6891

Whitehall
116 West Colby, Suite B
Century Building
Whitehall, MI 49461
Phone (231) 893-6772
Fax (231) 893-6773

Hart
1550 North Industrial Park Drive
Hart, MI 49420
Phone (231) 873-5611
Fax (231) 873-7033

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We appreciate the courtesy extended to us during the course of the audit. We will be happy to assist in the implementation of any of the recommendations mentioned in this letter or answer any questions regarding the audit.

Respectfully submitted,

A handwritten signature in black ink that reads "Jodi DeKuiper, CPA". The signature is written in a cursive, flowing style.

Jodi DeKuiper, CPA
Hendon & Slate, P.C.